REMARKS

In the May 24, 2005 Office Action, claims 1-12 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Christiano in view of Conner. The Examiner cites Christiano for disclosing a "floating" licensing method in which the software program can run anywhere on a network. The Examiner cites Conner for disclosing a licensing system in which the application is running on a server hosting the application (Application Service Provider) (ASP)). The Examiner acknowledges that Christiano does not explicitly describe a system which uses servers from an Application Service Provider (ASP) to host applications for the customer. The Examiner concludes, however, that it would have been obvious to one of ordinary skill in the art of digital content distribution and delivery over an open network to provide the user with the option to execute requested digital content on an ASP's server and to provide pay per use licensing arrangement based on applications share among multiple enterprises with multiple users on a virtual host.

It is respectfully submitted, however, that the Examiner fails to establish a *prima facie* case of obviousness to support a rejection of Applicant's invention set forth in claims 1-12 based on any permissible combination on Christiano and Conner.

As noted by the Examiner, Christiano is directed to a licensing arrangement on a network. This network corresponds to a single customer or organization network. Christiano is devoid of any teaching or suggestion of executing software programs from a digital content source on two separate networks one run by an Application Service Provider (ASP) and one by the customer.

Conner, on the other hand, discloses a system in which a user can execute software from a digital content source hosted by an Application Service Provider (ASP) exclusively on the Application Service Provider's computer network or server.

Without the impermissible use of hindsight, it is respectfully submitted that one of ordinary skill in the relevant art would not be motivated or led by the disparate and opposed teachings of Christiano and Conner to combine selected features of Christiano with selected features of Conner to yield Applicants' licensing method

usable on a customer network and a separate Application Service Provider network as disclosed in claims 1-12.

The state of the at the time of Applicants' invention licensing technology allowed sharing of a "floating" license over an open network. However, such a set-up collectively forms a single installation in a single organization, such as to the customer network defined by the Applicants.

In Applicants' invention, users from one organization on one network (customer network) can access software from another organization on another network (ASP network) using the license pool on the customer's network. The customer's network and the ASP are set up, run, and managed independently by two different business entities and two separate groups of people in a mutually exclusive manner.

Completely different sets of software products can be and, generally, will be installed on these two networks. Moreover, multiple customer networks may simultaneously access software products from the ASP network that are not necessarily common to each other using completely different pools of license units.

Christiano and Conner are devoid of any suggestion of how to provide a licensing method for executing digital content where the digital content can be selected by the user for execution on either the customer's own computer network or a separate, ASP network. Any licensing methodology in Christiano and Conner is specific to licensing of software on a single network, i.e., the customer network or the ASP network.

With respect to claim 1, both Christiano and Conner are devoid of any teaching of a licensing method which provides a predetermined number of customer computer networks assigned units to each independently selected digital content when the digital content is run on the computer customer network, as well as providing a predetermined number of Application Service Provider assigned units to each independently selected piece of digital content when the digital content is run on the Application Service Provider.

Christiano and Conner are also devoid of any teaching of providing a license method which includes the steps of charging a number of checked out units to the customer computer network based on the digital content currently being run by the customer on the customer computer network, and on the Application Service Provider netowrk.

Christiano and Conner are devoid of any teaching of how to implement a licensing method for execution of software on either of a customer network and an ASP network where the licensing method, which controls the ability of other users of the customer network to simultaneously execute other software programs, utilizes the number of total license units purchased and the number of checked out units for software currently being run by all of the users of the customer network on both of the customer network and the ASP network.

Since Applicants' teachings cannot be used through the impermissible application of hindsight reconstruction to suggest these features, it is respectfully submitted that Applicants' invention as set forth in claims 1-12 includes features which are not suggested or rendered obvious by the cited references as combined by the Examiner.

Applicants continue to assert that the Examiner has not established a *prima facie* case of obviousness to support a rejection of Applicants' invention in claims 1-12 based on a purported combination of Christiano and Conner without the impermissible use of Applicants own teachings.

Despite the holding of *in re McLaughlin 443F.2d 1392, 1395, 170USPQ209, 212 (CCPA1971)*, that "any judgment on obviousness is in a sense necessarily a reconstruction based on hindsight reasoning, but so long as it takes into account only knowledge which was within the level of ordinary skill in the art at the time the claimed invention was made and does not include knowledge gleaned from Applicants' disclosure, such a reconstruction is proper", the Examiner is not permitted to use any part of Applicants' disclosure to provide elements missing from the cited references. The knowledge to provide a licensing method utilizing assigned and checked

out units on both of a customer network and an ASP network is not found in the cited references or the prior art.

Any permissible reliance of the Examiner on the holding of Ruiz at 1276,69USPQ2d at 1690 that "motivation to combine prior art references may exist in the nature of the problem to be solved" opens the door to easy reliance on Applicants' own teachings as the motivation to solve a problem wherein the problem is recognized or defined by the Applicant for the first time in the Applicants' own application. Applicants have provided a unique licensing method which encompasses assigned units on both the customer network and on a separate ASP network and the use of checked out units on both the customer network and the ASP network to determine whether additional software can be executed by users of the customer network on either the customer network or the ASP network. The cited references lack any combination of licensed units on both a customer network and a separate ASP network to determine whether or not new software programs can be executed by the users of the customer network.

For these reasons, it is respectfully submitted that Applicants' invention as set forth in claims 1-12 includes features which are not suggested or rendered obvious by the cited references taken in any permissible combination. A Notice of Allowance is submitted to be warranted and is respectfully requested.

Entry of this Amendment under to provisions of Rule 37 C.F.R. 1.116 is submitted to be warranted and is respectfully requested. By this Amendment, only a minor wording change has been made to the preamble of claim 1 to clarify that the digital content can be executed on the customer computer network or on the Application Service Provider so as to be consistent with the remaining claims, the original specification, and the original drawings. The amendment to claim 1 does not raise any new issues for consideration by the Examiner or issues which would require undo consideration or a new search.

The amendment to claim 1 is being submitted at this time to address remarks made by the Examiner for the first time in the "final" Office Action. Further,

entry of this Amendment is submitted to be warranted since the amendments to claim 1 patentably define the invention over the cited references thereby placing all of the claims in condition for immediate allowance or at a minimum, in a better form for appeal.

However, if the Examiner, after considering this Communication, is of the opinion that the claims will be allowable with additional modifications, the Examiner is invited to contact Applicants' attorney at the below listed telephone number.

Respectfully submitted,

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